

**B Y L A W S**  
**OF**  
**[NEW PREMIERA CORP.]**

**ARTICLE I**  
**SHAREHOLDERS**

**Section 1      Annual Meeting.** An annual meeting of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held each year on the date and at the time determined by the Board of Directors. The failure to hold an annual meeting at the time stated in these Bylaws does not affect the validity of any corporate action.

**Section 2      Special Meetings.** Except as otherwise provided by law, special meetings of shareholders of this ~~corporation~~[Corporation](#) may only be called as set forth in Article X of the Articles of Incorporation, as amended and restated from time to time (the “**Articles of Incorporation**”).

**Section 3      Place of Meetings.** Meetings of shareholders shall be held at such place within or without the State of Washington as determined by the Board of Directors, pursuant to proper notice.

**Section 4      Notice.** Notice of each shareholders’ meeting stating the date, time, and place and, in case of a special meeting, the purpose(s) for which such meeting is called, shall be given by this ~~corporation~~[Corporation](#) not less than ten (10) (unless a greater period of notice is required by law in a particular case) nor more than sixty (60) days prior to the date of the meeting, to each shareholder of record entitled to vote at such meeting unless required by law to send notice to all shareholders (regardless of whether or not such shareholders are entitled to vote), which notice may be given in any manner and by any means permitted under Title 23B of the Revised Code of Washington, the Washington Business Corporation Act, as amended from time to time (the “**Act**”).

**Section 5      Waiver of Notice.** A shareholder may waive any notice required to be given by these Bylaws, the Articles of Incorporation or the Act, before or after the meeting that is the subject of such notice. A valid waiver is created by any of the following three methods: (a) in ~~an executed~~ record, as defined in the Act, from the shareholder entitled to the notice and delivered to the ~~corporation~~[Corporation](#) for inclusion in its corporate records; (b) attendance at the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; or (c) as to the consideration of a particular matter that is not within the purpose or purposes described in the meeting notice, the shareholders’ failure to object at the time of presentation of such matter for consideration.

**Section 6 Quorum of Shareholders.** At any meeting of the shareholders, holders of a majority of the votes of all the shares entitled to vote on a matter, represented by shareholders of record in person or by proxy, shall constitute a quorum. Once a share is represented at a meeting, other than to object to holding the meeting or transacting business, it is deemed to be present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting. At such reconvened meeting, any business may be transacted that might have been transacted at the meeting as originally noticed. If a quorum exists, action on a matter is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the question is one upon which by express provision of law or of the Articles of Incorporation a different vote is required.

**Section 7 Proxies.** Shareholders of record may vote at any meeting either in person or by proxy executed in any manner permitted under the Act. A proxy is effective when received by the person authorized to tabulate votes for this ~~corporation~~ Corporation. A proxy is valid for eleven (11) months unless a longer period is expressly provided in the proxy. A validly executed proxy, which does not state that it is irrevocable shall continue, subject to the provisions of the Act, in full force and effect unless: (i) revoked by the person executing it, before the vote pursuant to that proxy, by a writing delivered to the Corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or (ii) written notice of the death or incapacity of the maker of that proxy is received by the Corporation before the vote pursuant to that proxy is counted.

**Section 8 Voting.** Subject to the provisions of the laws of the State of Washington, and unless otherwise provided in the Articles of Incorporation, each outstanding share is entitled to one (1) vote on each matter voted on at a shareholders' meeting, with all shares voting together as a single class.

**Section 9 Adjournment.** A majority of the shares represented at the meeting, even if less than a quorum, may adjourn any meeting of the shareholders from time to time. At a reconvened meeting at which a quorum is present, any business may be transacted at the meeting as originally noticed. If a meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if a new date, time, or place is announced at the meeting before adjournment; however, if a new record date for the adjourned meeting is or must be fixed in accordance with the corporate laws of the State of Washington, notice of the adjourned meeting must be given to persons who are shareholders as of the new record date.

**Section 10 Requirements for Shareholder Proposals.** ~~Any~~ Subject to Article III, Section 5 of the Articles of Incorporation, which governs the procedure for shareholder nomination, any shareholder seeking to bring business before any meeting of shareholders must comply with the provisions of this Section 10 (a "Qualified Shareholder Proposal"). In order for a proposal to be a Qualified Shareholder Proposal, the proposal (i) must be a proper subject for shareholder action under Rule 14a-8 of the Securities Exchange Act of 1934, as amended; (ii) must be made by a shareholder who is a record holder on the record date for the meeting, and (iii) the proposing shareholder must deliver a written notice to the principal executive offices of

the ~~corporation~~Corporation not less than (A) with respect to an annual meeting of shareholders, 120 calendar days in advance of the date that the ~~corporation~~Corporation's proxy statement was released to shareholders in connection with the previous year's annual meeting, except that if no annual meeting of shareholders was held in the previous year or if the date of the annual meeting has been changed by more than 30 calendar days from the date contemplated at the time of the previous year's proxy statement, such notice must be received by the ~~corporation~~Corporation a reasonable time before the ~~corporation~~Corporation's proxy statement is to be released, and (ii) with respect to a special meeting of shareholders called in compliance with Article X of the Articles of Incorporation, a reasonable time before the ~~corporation~~Corporation's proxy statement is to be released. ~~The Procedures for shareholder nomination of directors is set forth in Article III, Section V of the Articles of Incorporation.~~

#### **Section 11 Shareholder Participation by Means of Communication Equipment.**

For so long as the ~~corporation~~Corporation is not a publicly traded company, shareholders may participate in any meeting of shareholders called pursuant to the provisions of the Articles of Incorporation and these Bylaws by any means of communication by which all persons participating in the meeting can hear each other during the meeting. A shareholder participating in a meeting by this means is deemed to be present in person at the meeting.

### **ARTICLE II BOARD OF DIRECTORS**

**Section 1 Powers of Directors.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the ~~corporation~~Corporation shall be managed under the direction of, the Board of Directors, except as otherwise provided by the Articles of Incorporation.

**Section 2 Number and Qualifications.** The initial Board of Directors shall consist of ~~twelve~~thirteen (~~12~~13) directors. Thereafter, the Board of Directors shall consist of such number of directors as may be determined in accordance with the Articles of Incorporation, provided that such number shall be no fewer than seven (7) and no more than ~~thirteen~~ (~~13~~fourteen (14)). Directors need not be shareholders of this ~~corporation~~Corporation or residents of the State of Washington, but must have reached the age of majority. The ~~President and~~ Chief Executive Officer of the ~~corporation~~Corporation shall ~~serve as~~be a director of the ~~corporation~~Corporation. The ~~President and~~ Chief Executive Officer shall have a vote on all matters presented before the Board of Directors or any meeting of the Executive Committee, except that he or she shall not be entitled to vote in connection with any of the following matters (including if any of the following matters properly come before the Executive Committee): (a) the nomination, election or removal from office of any director of the ~~corporation~~Corporation; (b) establishing his or her compensation as an officer of the ~~corporation~~Corporation; (c) the executive compensation review functions of the Board of Directors or the ~~Governance~~Compensation Committee; (d) any matter in connection with the audit of the ~~corporation~~Corporation's finances or operations; or (e) any amendment to these Bylaws that amends such matters in which he or she is not entitled to vote.

**Section 3 Public Members.** The Board of Directors shall be comprised of a majority of “public members.” A “public member” excludes any person who: (i) is engaged or has engaged at any time in the practice of a health care profession (other than as an employee of the ~~corporation~~Corporation or one of its affiliates); (ii) is a director, officer, partner or employee of an organization that primarily sells health care services (other than the ~~corporation~~Corporation or one of its affiliates); (iii) is a director, officer, partner or employee of an organization of health care providers; or (iv) has a direct or indirect beneficial interest of more than 5% of the equity of an organization that sells or delivers health care services. This Section is designed to reflect and be consistent with the rules of the Blue Cross Blue Shield Association (“BCBSA”). If the limitations under the BCBSA rules are amended, this Section shall be construed to permit Board of Director representation to the full extent permitted under such rules, as so amended.

**Section 4 Independent Directors.** A majority of the Board of Directors shall also be “Independent Directors” as such term is defined below. To qualify as an “Independent Director,” the members of the Board of Directors must affirmatively determine that the director has no material relationship with the Corporation (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation). In addition to the determination above, members of the Board of Directors shall be considered “Independent Directors” if they are not, or have not been, engaged in any of the following relationships:

(a) A director who is or has been an employee or executive officer of the Corporation or the Blue Cross and Blue Shield Association or any of its affiliates, at any time during the past five (5) years.

(b) A director who is, or at any time during the past five (5) years has been, affiliated with or employed by a present or former auditor of the Corporation or any of its affiliates.

(c) A director who currently is employed, or at any time during any of the past three (3) years was employed, as an executive of another company where any of the Corporation’s present executives serves on that company’s compensation committee.

(d) A director who is an “affiliate” (as defined below) of the Corporation or any subsidiary.

(e) A director who receives, or has at any time during the past five (5) years received, more than \$100,000 per year in direct compensation from the Corporation, other than director and committee fees, pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), compensation for service as a former CEO or chairman or compensation received by an immediate family member for service as an employee of the Corporation at a level below executive officer.

(f) A director who is currently employed as an employee or executive officer of another company (A) that accounts for at least two (2) percent or \$1 million, whichever is greater, of the Corporation’s consolidated gross revenues, or (B) for which the Corporation

accounts for at least two (2) percent or \$1 million, whichever is greater of such other company's consolidated gross revenues.

(g) A director who has an immediate family member that fits in any of the foregoing categories currently or at any time during the past five (5) years. For purposes of this Section 3.04 (b), the term "immediate family member" is defined to include a director's spouse, parents, children, siblings, in-laws, and anyone (other than domestic employees) sharing such director's residence.

(h) A director who would not qualify as independent under any applicable federal securities laws and regulations or listing requirements or rules of any national securities exchange or national association on which the Corporation's securities are listed.

For purposes of these Bylaws, the terms "affiliate" of, or a person "affiliated with", a specified person, means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Corporation or any subsidiary. A person will be deemed not to be in control of the Corporation if the person (A) is not the beneficial owner, directly or indirectly, of 10% or more of any class of voting equity securities of the Corporation; and (B) is not an executive officer of the Corporation. A director, executive officer, partner, member, principal or designee of an affiliate (other than a wholly-owned subsidiary or parent company of the Corporation) will be deemed to be an affiliate.

**Section 45** **Number; Classes; Term; Initial Directors.** The number, classes, terms and names of the initial directors shall be as set forth in ~~Section 3~~, Article III, Section 3, of the Articles of Incorporation.

**Section 56** **Board of Directors' Power to Alter the Number of Directors and the Size of Classes.** The Board of Directors shall have the power (within the limitations prescribed by the Articles of Incorporation) by a resolution adopted by an Independent Board Majority (as defined in Article III, Section 4(b) of the Articles of Incorporation) at the time of such adoption to alter at any time and from time to time (i) the total number of directorship positions on the Board of Directors, and (ii) the number of directorship positions in any of the three classes of directors established by the Articles of Incorporation. Except as otherwise expressly provided in the Articles of Incorporation, from the adoption of any particular resolution in the manner provided in the preceding sentence until the adoption in the manner prescribed by the preceding sentence of any subsequent resolution altering the results of the particular resolution, (i) the total number of directorship positions on the Board of Directors shall be equal to the number specified in the particular resolution, and (ii) the number of directorship positions in each of the three classes of directors established by the Articles of Incorporation shall be the number established in the particular resolution.

**Section 67** **Regular Meetings.** Regular meetings of the Board of Directors shall be held at such places, and at such times as the Board by vote may determine, and, if so determined, no notice thereof need be given.

**Section 78 Special Meetings.** Special meetings of the Board of Directors may be held at any time, whenever called by the Chair of the Board, or in his absence the President and Chief Executive Officer. In addition, on the written request of three (3) directors, the Chair of the Board, or in his or her absence the President and Chief Executive Officer, on such directors' behalf, shall call a special meeting of the Board of Directors.

**Section 89 Notice.** No notice is required for regular meetings of the Board of Directors. Notice of special meetings of the Board of Directors, stating the date, time, and place thereof, shall be given at least two (2) days prior to the date of the meeting. The purpose of the meeting need not be given in the notice. Notice may be communicated by any means permitted by the Act, and is effective when specified in the Act.

**Section 910 Waiver of Notice.** A director may waive notice of a special meeting of the Board of Directors either before or after the meeting, and such waiver shall be deemed to be the equivalent of giving notice. Attendance of a director at a meeting shall constitute waiver of notice of that meeting unless said director, at the beginning of the meeting, or promptly upon such director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Any waiver by a non-attending director must be in ~~an executed~~ record, as defined in the Act, from the director entitled to the notice and delivered to the ~~corporation~~Corporation for inclusion in its corporate records.

**Section 1011 Quorum of Directors.** The required quorum for all meetings of the Board of Directors shall be as provided in Article III, Section 2 of the Articles of Incorporation.

**Section 1112 Adjournment.** A majority of the directors present, even if less than a quorum, may adjourn a meeting and continue it to a later time. Notice of the adjourned meeting or of the business to be transacted thereat, other than by announcement, shall not be necessary. At any adjourned meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting as originally called.

**Section 1213 Resignation and Removal.** Any director of this ~~corporation~~Corporation may resign at any time by giving written notice to the Board of Directors, ~~its~~the Chair of the Board, the Chief Executive Officer ~~and President~~ or Secretary of this ~~corporation~~Corporation. Any such resignation is effective when the notice is ~~delivered~~received, unless the notice specifies a later effective date. A director, any class of directors, or the entire Board of Directors may only be removed as prescribed in the Articles of Incorporation.

**Section 1314 Vacancies.** Vacancies on the Board of Directors shall be filled as set forth in Article III, Section 7, of the Articles of Incorporation.

**Section 1415 Compensation.** By resolution of the Board of Directors, each director may be paid expenses, if any, of attendance at each meeting of the Board of Directors (and each meeting of any committees thereof), and may be paid a stated salary as director, or a fixed sum for attendance at each meeting of the Board of Directors (and each meeting of any committee

thereof), or both, as determined by the Compensation Committee. No such payment shall preclude any director from serving this ~~corporation~~Corporation in any other capacity and receiving compensation therefor.

**Section ~~15~~16 Presumption of Assent.** A director of this ~~corporation~~Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless:

(a) The director objects at the beginning of the meeting, or promptly upon the director's arrival, to holding it or transacting business at the meeting;

(b) The director's dissent or abstention from the action taken is entered in the minutes of the meeting; or

(c) The director delivers written notice of dissent or abstention to the presiding officer of the meeting before its adjournment or to the ~~corporation~~Corporation within a reasonable time after adjournment.

The right of dissent or abstention is not available to a director who votes in favor of the action taken.



**Section 16**~~17~~ **Conference Telephone.** Meetings of the Board of Directors may be effectuated by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other during the meeting. Participation by such means shall constitute presence in person at such meeting.

**Section 17**~~—Action by Board of Directors Without a Meeting~~**18** **Action by Board of Directors Without a Meeting**. Any action that could be taken at a meeting of the Board of Directors may be taken without a meeting if a written consent setting forth the action so taken is signed by each of the directors entitled to vote with respect to the matter considered for action. Such written consents may be signed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document. Any such written consent shall be inserted in the minute book as if it were the minutes of a Board of Directors meeting. For purposes of clarification, an email transmission attributable to the sending director shall be considered an equivalent to written consent.

### ARTICLE III COMMITTEES OF THE BOARD OF DIRECTORS

**Section 1 Standing or Temporary Committees.** In addition to the standing committees of the Board of Directors set forth in Section 5 of this Article III, the Board of Directors, by resolution adopted by an Independent Board Majority~~—vote~~, may designate and appoint one or more other standing or temporary committees. Each member of such standing committee shall be a Director of the Corporation. Such committees shall have and exercise the authority of the directors in the management of the ~~corporation~~Corporation, subject to such limitations; as may be prescribed by the Board of Directors;~~—except by resolution; contained in these Bylaws; or provided in the Act; and further provided~~ that no committee shall have the authority to: (a) amend, alter or repeal these Bylaws; (b) elect, appoint or remove any member of any other committee or any director or officer of the ~~corporation~~Corporation; (c) amend the Articles of Incorporation; (d) adopt a plan of merger or consolidation with another corporation; (e) authorize the sale, lease or exchange of all or substantially all of the property and assets of the ~~corporation~~Corporation not in the ordinary course of business; (f) authorize the voluntary dissolution of the ~~corporation~~Corporation or revoke proceedings therefor; (g) adopt a plan for the distribution of the assets of the ~~corporation~~Corporation; (h) amend, alter or repeal any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by a committee; (i) take any action requiring two-thirds vote of the directors pursuant to these Bylaws; (j) ~~exercise the rights of the corporation as the voting member or shareholder or owner of any other entity; or (k)~~ take any action that requires the consent or approval of an Independent Board Majority as set forth in the Articles of Incorporation or these Bylaws; or (k) approving or adopting or recommending to the shareholders any action or matter expressly required by the Act to be submitted to shareholders for approval. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual director of any responsibility imposed upon it, him or her by law. Vacancies on any standing committee shall be filled from and by the Board



of Directors at a regular meeting of the Board of Directors or at any special meeting called for that purpose. Any committee designated pursuant to this Section 1 shall be governed by the same rules regarding meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements as applied to the Board of Directors. Each committee may prepare, and if required by applicable federal securities laws and regulations or listing requirements or rules of any national securities exchange or national association on which the Corporation's securities are listed, such affected committee shall prepare a written charter that further addresses the committee's purpose, function and responsibilities. The committee charters, which may be amended from time to time, shall be approved by the Board of Directors and shall comply with all applicable federal securities laws and regulations and the listing requirements or rules of any national securities exchange or national securities association on which the Corporations securities are listed.

**Section 2 Quorum; Manner of Acting.** Except as provided in the Articles or in Section 6(a)(35) and Section 6(b)(4) of this Article III, a majority of the number of directors composing any committee shall constitute a quorum, and the act of a majority of the members of a committee entitled to vote with respect to the matter considered for action and present at a meeting at which a quorum is present shall be the act of the committee.

**Section 3 Resignation.** Any member of any committee may resign at any time by delivering written notice thereof to the ~~President and Chief Executive Officer, the Secretary~~ Chair of the Board of Directors or the chairperson of such committee, or by giving oral or written notice at any meeting of such committee. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 4 Removal of Committee Member.** The Board of Directors, by resolution adopted by a two-thirds vote, may remove from office any member of any committee elected or appointed by it.

**Section 5 Designation and Appointment of Standing Committees.** The standing committees of the Board of Directors shall be (~~4a~~) an Executive Committee, (~~2b~~) a Nominating and Governance Committee, (~~3c~~) an ~~Investment~~, Audit and Compliance Committee, (~~4d~~) a Compensation Committee ~~and~~, (~~5e~~) a Quality Committee and (f) an Investment Committee. The members and the chair of each committee shall be appointed annually by the Board of Directors; ~~Each provided, however, that so long as [Washington Foundation Shareholder,] a Washington nonprofit corporation (the "Washington Foundation Shareholder") and/or the [Alaska Health Foundation], an Alaska nonprofit corporation (the "Alaska Health Foundation"), has a Designated Member (as such term is defined in the Articles of Incorporation) pursuant to the Articles of Incorporation, such Designated Member shall be a member of the Executive Committee, Compensation Committee and any pricing committee (composed of three members of the Board of Directors) that is empowered to approve the price and terms of any Underwritten Offering for the Designated Member's initial term as a Class II director and for one year thereafter, provided, so long as the Washington Foundation Shareholder or the Alaska Foundation has a Designated Member, such Designated Member shall be a member of the~~

pricing committee established in connection with any underwritten offering involving shares of the Washington Foundation Shareholder or the Alaska Health Foundation. Subject to the provision regarding the membership of the Designated Member on the Executive Committee, Compensation Committee and any pricing committee, each standing committee of the Board of Directors shall serve at the pleasure of the Board of Directors. In the event there is no Designated Member at the time of an Underwritten Offering, the pricing committee shall consist of three members of the Board of Directors appointed by an Independent Board Majority. The Chair of the Board shall review committee assignments from time to time to make recommendations to assure a balance of representation and participation on the committees.

## **Section 6 Description of Standing Committees.**

### **(a) Executive Committee.**

(1) Membership. Membership on the Executive Committee shall consist of the Chief Executive Officer of the ~~corporation and not less~~ Corporation if the Chief Executive Officer is also the Chair of the Board of Directors and no more than four (4) additional members of the Board of Directors. The four (4) members of the Board of Directors to serve on the Executive Committee shall ~~be those persons~~ include the Designated Member (so long as such director is on the Executive Committee pursuant to the provisions of Section 5 of this Article III) and the three (3) directors who are also members of the Nominating and Governance Committee. In addition, one of the four (4) additional directors to serve on the Executive Committee shall be the Chair of the Board, provided that such person does not also hold the position of Chief Executive Officer of the ~~corporation~~ Corporation.

(2) Powers and Duties. The Executive Committee of the Board of Directors, during the intervals between meetings of the Board of Directors, shall possess and may exercise the power and authority of the Board of Directors in the management of the business and affairs of the ~~corporation~~ Corporation and may transact such business of the ~~corporation~~ Corporation as may be required between meetings of the Board of Directors and as may, from time to time, be requested by the Board of Directors, subject to the limitation on the authority of committees contained in ~~these Bylaws~~ Article III, Section 1 of these Bylaws and in the Act and except in regard to matters that have been specifically delegated to another committee of the Board of Directors or which are required to be addressed by a specific committee of the Board of Directors by applicable law or national stock exchange rule or listing requirement.

(3) Committee Meetings. The Executive Committee shall meet from time to time on the call of the Chair of the Board ~~of Directors~~ or the President and Chief Executive Officer or of any two (2) or more members of the Executive Committee, such meetings to be held at the date, time and place as may be designated in the notice of the meeting given by the person so authorized by these Bylaws. Notice of the date, time and place of each meeting of the Executive Committee shall be given to each member of the Executive Committee either in person, by mail, by facsimile or similar electronic means, or by telephone, not less than two (2) business days prior to the meeting; such notice need not state the purpose or purposes of the meeting.

(4) Chair of the Committee. The Chair of the Board shall be the chair of the Executive Committee, provided that the Chair of the Board does not hold the position of Chief Executive Officer of the Corporation. In the event that the Chair of the Board of Directors holds the position of Chief Executive Officer of the Corporation, the chair of the Executive Committee shall be a director, other than the Chief Executive Officer.

(45) Quorum. A majority of the members of the Executive Committee shall constitute a quorum, provided any action to be taken by the Executive Committee shall require either (i) the presence of at least a majority of the members of the Executive Committee other than the President and Chief Executive Officer and the affirmative vote of a majority of the members present at such meeting and entitled to vote on such matter, or (ii) a unanimous vote of the members entitled to vote on such matter and who are present at a meeting at which a quorum is present.

~~(5)6~~ Minutes and Reports to the Board. The Executive Committee shall keep regular minutes of its meetings and proceedings. All business transacted by the Executive Committee shall be reported to the Board of Directors at the next regular meeting of the Board of Directors or at a special meeting called for that purpose and shall be subject to ratification, revision or alteration by two-thirds vote of the Board of Directors, provided that no rights of third parties shall be affected by any such revision or alteration.

~~(6) The Chair of the Board of Directors shall be the chair of the Executive Committee, provided that the Chair of the Board of Directors does not hold the position of Chief Executive Officer of the corporation. In the event that the Chair of the Board of Directors holds the position of Chief Executive Officer of the corporation, the chair of the Executive Committee shall be a director, other than the Chief Executive Officer.~~

(b) Nominating and Governance Committee.

(1) Membership. Membership on the Nominating and Governance Committee shall consist of not less than four (4) members of the Board of Directors, none of whom shall be employees of the ~~corporation~~Corporation. The Chair of the Board ~~of Directors~~ shall be a member of the Nominating and Governance Committee if such person does not also hold the position of Chief Executive Officer of the ~~corporation~~Corporation. In addition, each member must qualify as an Independent Director as such term is defined in Article II, Section 4 above.

(2) Powers and Duties. The Nominating and Governance Committee shall:

(A) Oversee any and all governance matters affecting the ~~corporation~~Corporation's Board of Directors. This is to specifically include a review of the ~~corporation~~Corporation's governance documents whenever appropriate, but at least on a biennial basis, and also to include other matters that may from time to time be referred to the Committee by the Board of Directors.

(B) Nominate candidates to serve on the ~~corporation~~Corporation's Board of Directors, ensure that the Board of Directors and its committees are comprised of individuals who have strength of character, an inquiring and independent mind, practical wisdom, mature judgment and a strong commitment to the interests and integrity of the ~~corporation. It is desirable that these individuals have prior business and/or health care experience and corporate board experience.~~Corporation and who are qualified to serve on the Board of Directors or its committees, as the case may be, pursuant to the corporate governance standards set forth under regulatory requirements or approved by the Board of Directors.

(C) Develop and recommend to the Board of Directors guidelines and criteria to determine the qualifications of directors, and to review such guidelines and criteria annually.

(D) Review the qualifications of and recommend to the Board of Directors nominees for directors to be elected by the Board of Directors to fill vacancies and newly created directorships.

(E) Consider and, when appropriate, make recommendations to the Board of Directors concerning the size and composition of the Board of Directors at least every three (3) years.

(F) Annually bring to the Board of Directors a recommendation for the composition of the committees; the Committee should continually address rotation of ~~Board~~ members of the Board of Directors onto all committees; the chairperson of a committee should be limited to three (3) years with the desirability of having a former chairperson leaving that committee within one (1) year of serving as chair.

(G) Develop and recommend appropriate processes to enable the Board of Directors as a whole to review its effectiveness, as well as the effectiveness of its individual members.

~~(H)~~ ~~\_\_\_\_\_ (H) \_\_\_\_\_~~ Ensure that management and the Board of Directors have plans in place to provide for both emergency and ongoing succession of key management positions.

(I) Perform such other governance-related functions as may be specified in the Nominating and Governance Committee Charter.

(3) *Chair of the Nominating and Governance Committee.* The Chair of the Board of Directors shall be the chair of the Nominating and Governance Committee, *provided, however,* that the Chair of the Board does not hold the position of Chief Executive Officer of the ~~corporation~~Corporation (in which case, such person will be prohibited from serving on the Nominating and Governance Committee).

(4) *Quorum.* A majority of the members of the Nominating and Governance Committee shall constitute a quorum, provided any action to be taken by the Nominating and Governance Committee shall require either (i) the presence of at least a majority of the members of the Nominating and Governance Committee and the affirmative vote of a majority of the members present at such meeting and entitled to vote on such matter, or (ii) a unanimous vote of the members entitled to vote on such matter and who are present at a meeting at which a quorum is present.

(5) *Minutes and Reports to the Board.* The Nominating and Governance Committee shall keep regular minutes of its meetings and proceedings. All business transacted by the Nominating and Governance Committee shall be reported to the Board of Directors at the next regular meeting of the Board of Directors or at a special meeting called for that purpose and shall be subject to ratification, revision or alteration by vote of an Independent Board Majority, provided that no rights of third parties shall be affected by any such revision or alteration.

(c) Compensation Committee.

(1) *Membership.* Membership on the Compensation Committee shall consist of ~~not less than~~ no more than ~~four~~five (45) members of the Board of Directors to be appointed annually by the Board of Directors (except for the Designated Member, whose term as a member of the Compensation Committee shall be governed by the provisions of Section 5 of this Article III), none of whom shall be employed by the ~~corporation or any of its subsidiaries.~~ Corporation or any of its Subsidiaries. In addition, each member must qualify as an Independent Director as such term is defined in Article II, Section 4 above.

(2) *Powers and Duties.* The Compensation Committee shall (A) determine the compensation of the President and Chief Executive Officer of the ~~corporation~~Corporation based on a review and approval of corporate goals and objectives relevant to such compensation, (B) review the ~~corporation~~Corporation's executive compensation programs, (C) review and recommend to the Board of Directors the compensation payable to directors for their service on the Board of Directors and (D) perform such other compensation related functions as may be specified in the Compensation Committee Charter. ~~If the corporation becomes publicly traded, the members of the Compensation Committee shall perform their duties in accordance with the applicable listing standards of its national securities exchange and applicable Securities and Exchange Commission ("SEC") requirements as may be in effect from time to time.~~

(3) *Minutes and Reports to the Board.* Minutes of the Compensation Committee meetings shall be recorded and submitted to the Board of Directors for approval or disapproval.

(d) ~~Investment,~~ Audit and Compliance Committee.

(1) *Membership.* Membership on the ~~Investment,~~ Audit and Compliance Committee shall consist of not less than four (4) members of the Board of Directors, none of whom shall be employed by the ~~corporation or any of its subsidiaries.~~ The membership of the

~~Investment~~ Corporation or any of its Subsidiaries. In addition, each member must qualify as an Independent Director as such term is defined in Article II, Section 4 above and may not, other than in his or her capacity as a member of the Audit and Compliance Committee or the Board of Directors generally, accept any consulting, advisory or other compensatory fee from the Corporation. Further qualifications and requirements for membership on the Audit and Compliance Committee shall be ~~determined as provided in accordance with the Investment~~, Audit and Compliance Committee Charter, ~~as amended by the Investment, Audit and Compliance Committee and approved by the Board from time to time.~~ In addition, each member of the Audit and Compliance Committee must be financially literate, as such qualification is interpreted by the Corporation's Board of Directors in its business judgment. At least one member of the Audit and Compliance Committee must be an "audit committee financial expert", as such term is defined under Item 401(h)(2) of Regulation S-K under the Securities Act of 1933, as amended, as determined by the Corporation's Board of Directors.

(2) Powers and Duties.

(A) Consistent with the provisions of the Audit and Compliance Committee Charter, the Audit and Compliance Committee shall assist the Board of Directors in its oversight of:

- (i) The integrity of the Corporation's financial statements; its financial reporting process; the systems of internal accounting and financial controls; the performance of the Corporation's internal audit function and independent auditors; the independent auditor's qualifications and independence; and, in the event the Corporation's securities are listed on a securities exchange, the preparation of the reports that applicable securities laws and regulations require.
- (ii) The Corporation's compliance with legal and regulatory requirements, and its Compliance and Ethics program.

(B) (2) — ~~Powers and Duties.~~ The audit functions of the Investment, Audit and Compliance Committee shall be as set forth in the Investment, Audit and Compliance Committee Charter ~~[To be created consistent with currently evolving NYSE and SEC requirements]~~, as amended by the Investment, Audit and Compliance Committee and approved by the Board from time to time. ~~The investment and compliance functions of the Investment, Audit and Compliance Committee shall be as set forth below. The Investment,~~ The Audit and Compliance Committee also shall review any financial matter that may be referred to it by management from time to time related to the annual budget, the reserves and capital of the ~~corporation~~ Corporation, or the financial implications of a proposed transaction to which the ~~corporation is a party.~~ In addition, the Investment, Audit and Compliance Committee also shall address such additional matters as may be referred to it by the Board of Directors or which may be set forth in its charter as approved by the Board of Directors. Corporation is a party.



(C) The Audit and Compliance Committee also shall address such additional matters as may be referred to it by the Board of Directors or which may be set forth in the Audit and Compliance Committee Charter.

(D) (3) ~~Investment Functions.~~ In discharging its investment functions, the Investment,Minutes and Reports to the Board. Minutes of the Audit and Compliance Committee ~~shall:~~

~~(A) Make recommendations to the Board of Directors concerning:~~

~~(i) Policies related to the nature and scope of the invested assets of the corporation and its subsidiaries; and~~

~~(ii) Policies and procedures related to the control and management of invested assets of the corporation and its subsidiaries.~~ (B)

~~Review and approve all investment transactions by the corporation consistent with policies approved by the Board of Directors.~~ meetings shall be recorded and submitted to the Board of Directors for approval or disapproval.

~~(C) Review management's report of all investment transactions by the corporation for regulatory compliance and conformity with the investment policies and procedures approved either (i) directly by the Board of Directors or (ii) by the Investment, Audit and Compliance Committee and ratified by the Board of Directors.~~

~~(4) Compliance Functions. In discharging its compliance functions, the Investment, Audit and Compliance Committee shall:~~

~~(A) Review and recommend to the Board of Directors the adoption of a code of business conduct for the corporation's Directors, officers, and employees.~~

~~(B) Review and provide oversight of the corporation's compliance program.~~

(e) Quality Committee.

(1) *Membership.* Membership on the Quality Committee shall consist of not less than three (3) members of the Board of Directors to be appointed annually by the Board of Directors, none of whom shall be ~~a~~ employed by the ~~corporation~~Corporation or any of its ~~subsidiaries~~Subsidiaries.

(2) *Powers and Duties.* The Quality Committee shall assist the Board of Directors in discharging its responsibility for quality of care and services delivered by the ~~corporation~~Corporation or its contracting providers. The Quality Committee shall ensure accountability of executive management to the Board of Directors for quality outcomes, structures and processes. In addition, the Quality Committee shall:

(A) Review, approve and oversee the implementation of the ~~corporation~~Corporation's quality assessment and improvement efforts.

(B) Provide regular oversight and direction to senior staff in the implementation of the ~~corporation~~Corporation's quality plan.

(C) Regularly review reports of system performance, as measured by key quality indicators.

(D) Ensure that organizational performance continuously improves over time, as measured by key quality indicators.

(3) Minutes and Reports to the Board. Minutes of the Quality Committee meetings shall be recorded and submitted to the Board of Directors for approval or disapproval.

(f) Investment Committee.

(1) Membership. Membership on the Investment Committee shall consist of not less than three (3) members of the Board of Directors, none of whom shall be employees of the Corporation or any of its Subsidiaries.

(2) Powers and Duties. In discharging its investment functions, the Investment Committee shall:

(A) Make recommendations to the Board of Directors concerning:

(i) Policies related to the nature and scope of the invested assets of the Corporation and its Subsidiaries; and

(ii) Policies and procedures related to the control and management of invested assets of the Corporation and its Subsidiaries.

(B) Review and ratify all investment transactions by the Corporation subject to receiving reports from management and/or the Corporation's investment consultants that such transactions are consistent with policies and guidelines, which are approved either (i) directly by the Board of Directors or (ii) by the Investment Committee and ratified by the Board of Directors, and applicable laws and regulations.

(C) Review and monitor the allocation of the Corporation's investment assets among investment categories, and the performance of the Corporation's investments and investment managers.

(3) Minutes and Reports to the Board. Minutes of the Investment Committee meetings shall be recorded and submitted to the Board of Directors for approval or disapproval.

## ARTICLE IV OFFICERS AND CHAIR OF THE BOARD

**Section 1 Positions.** The officers of this ~~corporation~~Corporation shall be a Chief Executive Officer, President, one or more Vice Presidents (who may be designated as Executive Vice Presidents, Senior Vice Presidents, or other), a Chief Financial Officer, a Secretary and a Treasurer, as appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary. In addition, the Board of Directors may choose such other officers and assistant officers to perform such duties as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the ~~corporation~~Corporation the power to choose such other officers and assistant officers and to prescribe their respective duties and powers.

**Section 2 Appointment and Term of Office.** The officers of the ~~corporation~~Corporation shall be elected each year by the Board of Directors at the annual meeting of the Board of Directors or, between annual meetings of the Board of Directors, by the Board of Directors or by the President and Chief Executive Officer as provided in Section 6 of this Article IV. Unless an officer dies, resigns, or is removed from office, he or she shall hold office until his or her successor is elected.

**Section 3 Salaries and Contract Rights.** The salaries of the officers and agents shall be as fixed from time to time by the Board of Directors or by any person or persons to whom the Board of Directors has delegated such authority. No officer shall be prevented from receiving a salary by reason of the fact that he or she is a director of the ~~corporation~~Corporation. The appointment of an officer shall not of itself create contract rights.

**Section 4 Resignation.** Any officer may resign at any time by delivering written notice to the President and Chief Executive Officer, the Secretary, or the Board of Directors, or by giving oral or written notice at any meeting of the Board of Directors. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 5 Removal.** Any officer or agent may be removed from office by the Board of Directors or by the President and Chief Executive Officer whenever in its or his or her judgment the best interests of the ~~corporation~~Corporation would be served thereby. The Chair of the Board may be removed only by the Board of Directors. The removal of any officer or the Chair of the Board shall be without prejudice to the contract rights, if any, of the person so removed.

**Section 6 Vacancies.** A vacancy in any office created by the death, resignation, removal, disqualification, creation of a new office or any other cause, may be filled by the Board of Directors or by the President and Chief Executive Officer for the unexpired portion of the term or for a new term established by the Board of Directors or by the President and Chief

Executive Officer. Any vacancy in the office of Chair of the Board shall be filled by the Board of Directors. If a vacancy in an office of Senior Vice President or above is filled by the President and Chief Executive Officer, he or she shall report such appointment to the Board of Directors at its next regular meeting.

**Section 7 Powers and Duties.** If the Board of Directors appoints persons to fill the following positions, such individual shall have the powers and duties set forth below:

(a) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer and, subject to the oversight by the Board of Directors as set forth in Section 1 of Article II above, shall manage the assets, business, and affairs of the ~~corporation~~Corporation and its subsidiaries (the ~~Operating~~ “Subsidiary” or “Subsidiaries”). He or she shall act as liaison between the Board of Directors and the other officers of the ~~corporation~~Corporation with respect to the formulation of corporate policies affecting the ~~corporation~~Corporation, and he or she shall implement said policies as directed by the Board of Directors. He or she shall provide reports to the Board of Directors on a regular basis regarding the operations and affairs of the ~~corporation~~Corporation, including, without limitation, at least annually (a) the functions, programs, and staffing of the ~~corporation~~Corporation’s operations in its regional markets for the Board of Director’s review of the ~~corporation~~Corporation’s geographic, economic, and marketing opportunities, and (b) the ~~corporation~~Corporation’s activities in the various regions in which the ~~corporation~~Corporation and its affiliates conduct business including presentations by the senior managers of the various regions. The Chief Executive Officer shall preside over meetings of the members. The Chief Executive Officer may sign deeds, mortgages, bonds, contracts, or other instruments, except when the signing and execution thereof have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the ~~corporation~~Corporation or are required by law to be otherwise signed or executed by some other officer or in some other manner. In general, the Chief Executive Officer shall perform all duties incident to the office of Chief Executive Officer and such other duties as are assigned to him or her by the Board of Directors from time to time. The Chief Executive Officer also shall appoint~~nominate~~ the chief executive officer of ~~the Operating~~each such Subsidiary, subject to ~~ratification of such~~ appointment by the board of directors of ~~the Operating~~such Subsidiary, as provided in the ~~Operating~~ Subsidiary’s bylaws, ~~and (if such person is other than the Chief Executive Officer of the corporation) shall fix the compensation of such person. The Chief Executive Officer shall also have the authority to remove such person from office.~~

(b) President. In the event that the same person holds the offices of Chief Executive Officer and the President, the authority and duties of the President shall be as provided in Section 7(a) of this Article IV above and as may be provided by other provisions of these Bylaws. If the same person does not hold the offices of Chief Executive Officer and President, then the authority and duties of the President shall be as set forth in this Section 7(b). The President shall have such authority and shall perform such duties as may be assigned by the Chief Executive Officer. The President shall serve as a member of a management advisory committee, which may be established at the discretion of the Chief Executive Officer, to assist the Chief Executive Officer on corporate policy and oversight of actions to achieve strategic business goals. In the event of the death of the Chief Executive Officer or his or her inability to

act, the President shall perform such duties of the Chief Executive Officer as assigned to him or her by the Board of Directors with all the powers of and subject to all the restrictions upon the Chief Executive Officer.

(c) Chair of the Board~~of Directors~~. The Board of Directors shall elect the Chair of the Board at its annual meeting. When the position of Chair of the Board is held by a director other than the Chief Executive Officer, the following shall apply: The Chair shall be responsible for conducting meetings of the Board of Directors and of the shareholders, consistent with the agendas prescribed by the Chief Executive Officer and/or the full Board of Directors, advising the Chief Executive Officer on such matters as the Chief Executive Officer may request, and performing such other duties as may be requested by the full Board of Directors. The position of Chair of the Board shall not include any special powers or authority over the Chief Executive Officer or the management of the ~~corporation~~Corporation, distinct from the powers vested in the Board of Directors as a whole. It is contemplated that the Chief Executive Officer, or the Chief Executive Officer's designees, will represent the ~~corporation~~Corporation's interests in matters involving third parties. The Chief Executive Officer or the Board of Directors may request the Chair of the Board, from time to time, to speak on behalf of the ~~corporation~~Corporation on specific issues to specified third parties. In such event, the Chair of the Board shall discharge such duty consistent with the specific request from the Chief Executive Officer or the Board of Directors, as the case may be.

When the position of Chair of the Board is held by the Chief Executive Officer of the ~~corporation~~Corporation, the following shall apply: The Chair of the Board and Chief Executive Officer shall preside over meetings of the Board of Directors and shall have authority and perform such duties in the management of the affairs and property of the ~~corporation~~Corporation as are provided in these Bylaws or as may otherwise be determined by resolution of the Board of Directors. The chair of the Nominating and Governance Committee ("Lead Director") shall preside over a Board of Directors meeting or part thereof if the Chair of the Board and Chief Executive Officer is absent from a meeting of the Board of Directors or any part thereof, or with respect to any matter that the Chief Executive Officer may have a conflict of interest.

(d) Vice Presidents.

(1) *Executive Vice Presidents.* Executive Vice Presidents shall have such authority and shall perform such duties as may be assigned by the President and Chief Executive Officer. The Executive Vice Presidents shall at the discretion of the President and Chief Executive Officer, act as a management advisory committee to assist the President and Chief Executive Officer on corporate policy and oversight of actions to achieve strategic business goals. In the event of the death of the President and Chief Executive Officer or his or her inability to act, any Executive Vice President may perform such duties of the President and Chief Executive Officer as assigned to him or her by the Board of Directors with all the powers of and subject to all the restrictions upon the President and Chief Executive Officer.

(2) *Senior Vice Presidents and Vice Presidents.* Senior Vice Presidents or Vice Presidents shall assist the President and Chief Executive Officer in the supervision and

direction of the business and affairs of the ~~corporation~~Corporation and shall perform such duties as may be assigned to them by the President and Chief Executive Officer.

(e) Chief Financial Officer. The Chief Financial Officer shall have the care and custody of the Corporation funds and securities, maintain banking relationships and execute credit and collection policies and shall perform such other duties as mandated by law, regulation or the listing rules of the stock exchange on which the Capital Stock of the Corporation is listed or as may be assigned by the Board of Directors or the Chief Executive and may execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and instruments.

(f) Secretary. The Secretary shall: (a) keep the minutes of the meetings of the shareholders, the Board of Directors and minutes which may be maintained by committees of the Board of Directors; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records of the ~~corporation~~Corporation; (d) keep records of the post office address and class, if applicable, of each ~~member and Director~~director and of the name and post office address of each officer; (e) sign with the President and Chief Executive Officer, or other officer authorized by the President and Chief Executive Officer or the Board of Directors, share certificates, deeds, mortgages, bonds, contracts, or other instruments; (f) authenticate records of the ~~corporation~~Corporation; (g) have general charge of the stock transfer books of the ~~corporation~~Corporation; (h) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President and Chief Executive Officer or the Board of Directors. In the Secretary's absence, an Assistant Secretary shall perform the Secretary's duties.

(g) Treasurer. If requested by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such amount and with such surety or sureties as the Board of Directors may determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the ~~corporation~~Corporation; receive and give receipts for moneys due and payable to the ~~corporation~~Corporation from any source whatsoever, and deposit all such moneys in the name of the ~~corporation~~Corporation in banks, trust companies or other depositories selected in accordance with the provisions of these Bylaws; and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President and Chief Executive Officer or the Board of Directors.

## ARTICLE V CERTIFICATES OF SHARES AND THEIR TRANSFER; UNCERTIFICATED SHARES

**Section 1 Issuance of Shares.** No shares of this ~~corporation~~Corporation shall be issued unless authorized by the Board of Directors. Such authorization shall include the maximum number of shares to be issued and the consideration to be received. A good faith determination by the Board of Directors that the consideration received or to be received for the



shares to be issued is adequate is conclusive insofar as the adequacy of consideration relates to whether the shares are validly issued, fully paid and nonassessable.

**Section 2 Issuance of Certificated Shares.** Unless the Board of Directors determines that the ~~corporation~~Corporation's shares are to be uncertificated, certificates for shares of the ~~corporation~~Corporation shall be in such form as is consistent with the provisions of the Act. The certificate shall be signed by original or facsimile signature of two officers of the ~~corporation~~Corporation.

**Section 3 Transfer of Certificated Stock.** Certificated shares of stock may be transferred, provided such transfer is in accordance with the provisions of ~~the~~ Article IV of the Articles of Incorporation, by delivery of the certificate accompanied by either an assignment in writing on the back of the certificate or by a written power of attorney to assign and transfer the same on the books of the ~~corporation~~Corporation, signed by the record holder of the certificate. Shares shall be transferable on the books of this ~~corporation~~Corporation upon surrender thereof so assigned or endorsed.

**Section 4 Loss or Destruction of Certificates.** In case of the loss, mutilation, or destruction of a certificate of stock, a duplicate certificate may be issued upon such terms as the Board of Directors shall prescribe.

**Section 5 Issuance of Uncertificated Shares.** The Board of Directors may authorize the issuance of some or all of the shares of any or all of the ~~corporation~~Corporation's classes or series of stock without certificates, *provided, however*, that such authorization shall not affect shares already represented by certificates until they are surrendered to the ~~corporation~~Corporation. Within a reasonable time after the issuance or transfer of shares without certificates, the ~~corporation~~Corporation shall send the shareholders a written statement of the information required on certificates by the Act. Said statement shall be informational to the shareholder, and not incontrovertible evidence of stock ownership. The statement shall be signed by original or facsimile signature of two officers of the ~~corporation~~Corporation.

**Section 6 Transfer of Uncertificated Stock.** Transfer of uncertificated shares of stock may be accomplished by delivery of an assignment in writing or by a written power of attorney to assign and transfer the same on the books of the ~~corporation~~Corporation, signed by the record holder of the shares. Surrender of the written statement shall not be a requirement for transfer of the shares so represented.

**Section 7 Record Date and Transfer Books.** For the purpose of determining shareholders who are entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a record date for any such determination of shareholders, such date in any case to be not more than seventy (70) days and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken.

If no record date is fixed for such purposes, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned more than one hundred twenty (120) days after the date fixed for the original meeting.

**Section 8      Voting Record.** The officer or agent having charge of the stock transfer books for shares of this ~~corporation~~Corporation shall make, at least ten (10) days before each meeting of shareholders, a complete record of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address, or, provided such shareholder has consented to receipt of electronic notice pursuant to the Act, the electronic address of and the number of shares held by each. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof.

**ARTICLE ~~VI~~VI**  
**INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS**

**Section 1. Definitions.** As used in this Article: VI:

(a) “Agent” means an individual who is or was an agent of the ~~corporation~~Corporation, including a physician consultant or a member of a committee or panel of the ~~corporation~~Corporation including, but not limited to, a medical advisory committee or panel, or an individual who, while an agent of the ~~corporation~~Corporation, is or was serving at the ~~corporation~~Corporation’s request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. “Agent” includes, unless the context requires otherwise, the spouse, heirs, estate and personal representative of an agent.

(b) “Director” means an individual who is or was a director of the ~~corporation~~Corporation or an individual who, while a director of the ~~corporation~~Corporation, is or was serving at the ~~corporation~~Corporation’s request as a director officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. “Director” includes, unless the context requires otherwise, the spouse, heirs, estate and personal representative of a director.

(c) “Employee” means an individual who is or was an employee of the ~~corporation~~Corporation or an individual who, while an employee of the ~~corporation~~Corporation, is or was serving at the ~~corporation~~Corporation’s request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise- “Employee” includes, unless the context requires otherwise, the spouse, heirs, estate and personal representative of an employee.

(d) “Indemnitee” means an individual made a party to a Proceeding because the individual is or was a Director, Officer, Employee or Agent, and who possesses indemnification rights pursuant to these Articles or other corporate action. “Indemnitee” includes, unless the context requires otherwise, the spouse, heirs, estate, and personal representative of such individuals.

(e) “Liability” means the obligation to pay a judgment, settlement, penalty, fine, including an excise tax with respect to an employee benefit plan, or reasonable expenses, including attorneys’ fees, incurred with respect to a Proceeding.

(f) “Officer” means an individual who is or was an officer of the ~~corporation~~Corporation (regardless of whether or not such individual was also a Director) or an individual who, while an officer of the ~~corporation~~Corporation, is or was serving at the ~~corporation~~Corporation’s request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan,

or other enterprise. "Officer" includes, unless the context requires otherwise, the spouse, heirs, estate and personal representative of an officer.

(g) “Party” includes an individual who was, is, or is threatened to be named a defendant, respondent or witness in a Proceeding.

(h) “Proceeding” means any threatened, pending, or completed action, suit, or proceeding, whether civil, derivative, criminal, administrative, or investigative, and whether formal or informal.

**Section 2 Indemnification Rights of Directors and Officers.** The ~~corporation~~Corporation shall indemnify its Directors and Officers to the full extent ~~not prohibited~~permitted by applicable law now or hereafter in force against any Liability arising out of a Proceeding to which such individual was made a Party because the individual is or was a Director or an Officer. Subject to the foregoing, it is specifically intended that Proceedings covered by indemnification shall include Proceedings brought by the ~~corporation~~Corporation (including derivative actions), Proceedings by government entities and governmental officials or other third party actions.

**Section 3 Indemnification of Employees and Agents of the Corporation.** The ~~corporation~~Corporation may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a Proceeding to Employees or Agents of the ~~corporation~~Corporation who are not also Directors, in each case to the same extent as to a Director with respect to the indemnification and advancement of expenses pursuant to rights granted under, or provided by, the Act or otherwise.

**Section 4 Partial Indemnification.** If an Indemnitee is entitled to indemnification by the ~~corporation~~Corporation for some or a portion of any Liabilities incurred by Indemnitee in any Proceeding but not, however, for the total amount thereof, the ~~corporation~~Corporation shall nevertheless indemnify Indemnitee for the portion of such Liabilities to which Indemnitee is entitled.

**Section 5 Procedure for Seeking Indemnification and/or Advancement of expenses.** The following procedures shall apply in the absence of (or at the option of the Indemnitee, in lieu thereof); specific procedures otherwise applicable to an Indemnitee pursuant to a contract, trust agreement, or general or specific action of the Board of Directors:

(a) Notification and Defense of Claim. Indemnitee shall promptly notify the ~~corporation~~Corporation in writing of any Proceeding for which indemnification could be sought under this Article. In addition, Indemnitee shall give the ~~corporation~~Corporation such information and cooperation as it may reasonably require and as shall be within Indemnitee’s power. With respect to any such Proceeding as to which Indemnitee has notified the ~~corporation~~Corporation: (i) the ~~corporation~~Corporation will be entitled to participate therein at its own expense; and (ii) except as otherwise provided below, to the extent that it may wish, the ~~corporation~~Corporation, jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof, with counsel satisfactory to Indemnitee. Indemnitee’s

consent to such counsel may not be unreasonably withheld.

After notice from the ~~corporation~~Corporation to Indemnatee of its election to assume the defense, the ~~corporation~~Corporation will not be liable to Indemnatee under this Article V for any legal or other expenses subsequently incurred by Indemnatee in connection with such defense. However, Indemnatee shall continue to have the right to employ its counsel in such Proceeding, at Indemnatee's expense; and if:

- (i) The employment of counsel by Indemnatee has been authorized by the ~~corporation~~Corporation;
- (ii) Indemnatee shall have reasonably concluded that there may be a conflict of interest between the ~~corporation~~Corporation and Indemnatee in the conduct of such defense; or
- (iii) The ~~corporation~~Corporation shall not in fact have employed counsel to assume the defense of such Proceeding,

the fees and expenses of Indemnatee's counsel shall be at the expense of the ~~corporation~~Corporation.

The ~~corporation~~Corporation shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the ~~corporation~~Corporation or as to which Indemnatee shall reasonably have made the conclusion that a conflict of interest may exist between the ~~corporation~~Corporation and the Indemnatee in the conduct of the defense.

(b) Information to be Submitted and Method of Determination and Authorization of Indemnification. For the purpose of pursuing rights to indemnification under this Article V, the Indemnatee shall submit to the Board of Directors a sworn statement requesting indemnification and reasonable evidence of all amounts for which such indemnification is requested (together, the sworn statement and the evidence constitute an "**Indemnification Statement**").

Submission of an Indemnification Statement to the Board of Directors shall create a presumption that the Indemnatee is entitled to indemnification hereunder, and the ~~corporation~~Corporation shall, within sixty (60) calendar days thereafter, make the payments requested in the Indemnification Statement to or for the benefit of the Indemnatee, unless: (1) within such sixty (60) calendar day period it shall be determined by the ~~corporation~~Corporation that the Indemnatee is not entitled to indemnification under this Article V; (2) such determination shall be based upon clear and convincing evidence (sufficient to rebut the foregoing presumption); and (3) the Indemnatee shall receive notice in writing of such determination, which notice shall disclose with particularity the evidence upon which the determination is based.

The foregoing determination may be made: (1) by the Board of Directors by majority vote of a quorum of Directors who are not at the time parties to the Proceedings; (2) if a quorum



cannot be obtained, by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate) consisting solely of two (2) or more Directors not at the time parties to the Proceeding; (3) by special legal counsel; or (4) by the shareholders, in each case, as provided by Section 23B.08.550 of the Act.

Any determination that the Indemnitee is not entitled to indemnification, and any failure to make the payments requested in the Indemnification Statement, shall be subject to judicial review by any court of competent jurisdiction.

(c) Special Procedure Regarding Advance for Expenses. An Indemnitee seeking payment of expenses in advance of a final disposition of the Proceeding must furnish the ~~corporation~~Corporation, as part of the Indemnification Statement:

(1) A written affirmation of the Indemnitee's good faith belief that the Indemnitee has met the standard of conduct required to be eligible for indemnification; and

(2) A written undertaking, constituting an unlimited general obligation of the Indemnitee, to repay the advance if it is ultimately determined by the final disposition of a court of competent jurisdiction that the Indemnitee did not meet the required standard of conduct under the Act.

Upon satisfaction of the foregoing the Indemnitee shall have a contractual right to the payment of such expenses.

(d) Settlement. The ~~corporation~~Corporation is not liable to indemnify Indemnitee for any amounts paid in settlement of any Proceeding without the ~~corporation~~Corporation's written consent. The ~~corporation~~Corporation shall not settle any Proceeding in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the ~~corporation~~Corporation nor Indemnitee may unreasonably withhold its consent to a proposed settlement.

## **Section 6 Contract and Related Rights.**

(a) Contract Rights. The right of an Indemnitee to indemnification and advancement of expenses is a contract right upon which the Indemnitee shall be presumed to have relied in determining to serve or to continue to serve in his or her capacity with the ~~corporation~~Corporation. Such right shall continue as long as the Indemnitee shall be subject to any possible Proceeding. Any amendment to or repeal of this Article V shall not adversely affect any right or protection of an Indemnified Party with respect to any acts or omissions of such Indemnified Party occurring prior to such amendment or repeal.

(b) Optional Insurance, Contracts, and Funding. The ~~corporation~~Corporation may:

(1) Maintain insurance, at its expense, to protect itself and any Indemnitee against any liability, whether or not the ~~corporation~~Corporation would have power to indemnify

the Indemnified Party against the same liability under Sections 23B.08.510 or .520 of the Act, or a successor section or statute;

(2) Enter into contracts with any Indemnified Party in furtherance of this Article V and consistent with the Act; and

(3) Create a trust fund, grant a security interest, or use other means (including without limitation a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article: ~~V. The Corporation's indemnity of any person covered by the indemnification provisions of this Article VI, or who is otherwise entitled to indemnification, shall be reduced by any amounts such person actually collects as indemnification (i) under any policy of insurance purchased and maintained on such person's behalf by the Corporation, or (ii) from another person or entity or from insurance purchased by such person or entity or by the person being indemnified by the Corporation.~~

(c) Right of Indemnitee to Bring Suit. If (1) a claim under this Article V for indemnification is not paid in full by the ~~corporation~~Corporation within sixty (60) days after an Indemnification Statement has been received by the ~~corporation~~Corporation; or (2) a claim under this Article for advancement of expenses is not paid in full by the ~~corporation~~Corporation within twenty (20) days after an Indemnification Statement has been received by the ~~corporation~~Corporation, then the Indemnitee may, but need not, at any time thereafter bring suit against the ~~corporation~~Corporation to recover the unpaid amount of the claim. To the extent successful in whole or in part, the Indemnitee shall be entitled to also be paid the expense (to be proportionately prorated if the Indemnitee is only partially successful) of prosecuting such claim. The Indemnitee shall be presumed to be entitled to indemnification hereunder upon submission of a proper Indemnification Statement and thereafter the ~~corporation~~Corporation shall have the burden of proof to overcome the presumption that the Indemnitee is so entitled. Neither (1) the failure of the ~~corporation~~Corporation (including its Board of Directors, its shareholders, or independent legal counsel) to have made a determination prior to the commencement of such Proceeding that indemnification or reimbursement or advancement of expenses to the Indemnitee is proper in the circumstances; nor (2) an actual determination by the ~~corporation~~Corporation (including its Board of Directors, its shareholders, or independent legal counsel) that the Indemnitee is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the Proceeding or create a presumption that the Indemnitee is not so entitled.

(d) Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a Proceeding in advance of its final disposition granted in this Article V shall not be exclusive of any other right which any Indemnitee may have or hereafter acquire under any statute, provision of this Article V or the Bylaws, agreement, vote of shareholders or disinterested directors, policy of insurance or otherwise. The ~~corporation~~Corporation shall have the express right to grant additional indemnity without seeking further approval or satisfaction by the shareholders. All applicable indemnity provisions and any applicable law shall be interpreted and applied so as to provide an Indemnitee with the broadest but nonduplicative indemnity to which he or she is entitled.

**Section 7 Contribution.** If the indemnification provided in Section 2 of this Article V is not available to be paid to Indemnitee for any reason other than such indemnification is prohibited by the Act (for example, because indemnification is held to be against public policy even though otherwise permitted under Section 2) then in respect of any Proceeding in which the ~~corporation~~Corporation is jointly liable with Indemnitee (or would be if joined in such Proceeding), the ~~corporation~~Corporation shall contribute to the amount of loss paid or payable by Indemnitee in such proportion as is appropriate to reflect:

(a)        The relative benefits received by the ~~corporation~~Corporation on the one hand and the Indemnitee on the other hand from the transaction from which such Proceeding arose; and

(b)        The relative fault of the ~~corporation~~Corporation on the one hand and the

Indemnatee on the other hand in connection with the events which resulted in such loss, as well as any other relevant equitable consideration.

The relative benefits received by and fault of the ~~corporation~~Corporation on the one hand and the Indemnatee on the other shall be determined by a court of appropriate jurisdiction (which may be the same court in which the Proceeding took place) with reference to, among other things, the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent the circumstances resulting in such loss. The ~~corporation~~Corporation agrees that it would not be just and equitable if a contribution pursuant to this Article V was determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

**Section 8 Exceptions.** Any other provision herein to the contrary notwithstanding, the ~~corporation~~Corporation shall not be obligated pursuant to the terms of these Articles to indemnify or advance expenses to Indemnatee with respect to any of the following:

(a) Claims Initiated by Indemnatee. Initiated or brought voluntarily by Indemnatee and not by way of defense, but such indemnification or advancement of expenses may be provided by the ~~corporation~~Corporation in specific cases if the Board of Directors finds it to be appropriate. Notwithstanding the foregoing, the ~~corporation~~Corporation shall provide indemnification, including the advancement of expenses, with respect to Proceedings brought to establish or enforce a right to indemnification under these Articles or any other statute or law.

(b) Lack of Good Faith. Instituted by Indemnatee to enforce or interpret this Article V, if a court of competent jurisdiction determines that each of the material assertions made by Indemnatee in such Proceeding was not made in good faith or was frivolous.

(c) Insured Claims. For which any of the Liabilities for indemnification is being sought have been paid directly to Indemnatee by an insurance carrier under a policy of officers' and directors' liability insurance maintained by the ~~corporation~~Corporation.

(d) Prohibited by Law. If the ~~corporation~~Corporation is prohibited by the Act or other applicable law as then in effect from paying such indemnification and/or advancement of expenses. For example, the ~~corporation~~Corporation and Indemnatee acknowledge that the SEC has taken the position that indemnification is not possible for liabilities arising under certain federal securities laws. Indemnatee understands and acknowledges that the ~~corporation~~Corporation has undertaken or may be required in the future to undertake with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the ~~corporation~~Corporation's right to indemnify Indemnatee.

**Section 9 Successors and Assigns.** All obligations of the ~~corporation~~Corporation to indemnify any ~~Director~~director or ~~Officer~~officer shall be binding upon all successors and assigns of the ~~corporation~~Corporation (including any transferee of all or substantially all of its assets and any successor by merger or ~~other-wise~~otherwise by operation of law). The ~~corporation~~Corporation shall not effect any sale of substantially all of its assets, merger,

consolidation, or other reorganization, in which it is not the surviving entity, unless the surviving entity agrees in writing to assume all such obligations of the ~~corporation~~Corporation.

**ARTICLE ~~VI~~VII**  
**BOOKS AND RECORDS; ADMINISTRATIVE PROVISIONS**

**Section 1 Books of Accounts, Minutes, and Share Register.** This ~~corporation~~Corporation:

(a) Shall keep as permanent records minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors exercising the authority of the Board of Directors on behalf of this ~~corporation~~Corporation;

(b) Shall maintain appropriate accounting records;

(c) Or its agent shall maintain a record of its shareholders, in a form that permits preparation of a list of the names and addresses, and electronic addresses for those shareholders who have consented to receipt of electronic notice pursuant to the Act, of all shareholders, in alphabetical order by class of shares showing the number and class of shares held by each; and

(d) Shall keep a copy of the following records at its principal office:

(1) The Articles or Restated Articles of Incorporation and all amendments to them currently in effect;

(2) The Bylaws or Restated Bylaws and all amendments to them currently in effect;

(3) The minutes of all shareholders' meetings, and records of all actions taken by shareholders without a meeting, for the past three (3) years;

(4) Its financial statements for a minimum of the past three (3) years, including balance sheets showing in reasonable detail the financial condition of this ~~corporation~~Corporation as of the close of each fiscal year, and an income statement showing the results of its operations during each fiscal year prepared on the basis of generally accepted accounting principles or, if not, prepared on a basis explained therein;

(5) All written and electronic communications to shareholders generally within the past three (3) years;

(6) A list of the names and business addresses of its current directors and officers; and

(7) Its most recent annual report delivered to the Secretary of State of Washington.

**Section 2 Copies of Resolutions.** Any person dealing with this ~~corporation~~Corporation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors or shareholders, when certified by the ~~President or~~ Secretary.



**Section 3      Accounting Year.** The accounting year of the ~~corporation~~Corporation shall be the twelve months ending December 31.

**Section 4      Rules of Procedure.** The rules of procedure at meetings of the Board of Directors and committees of the Board of Directors shall be rules contained in Roberts' Rules of Order on Parliamentary Procedure, newly revised, so far as applicable and when not inconsistent with these Bylaws, the Articles of Incorporation or any resolution of the Board of Directors.

**Section 5      Inconsistent Provisions.** The Board of Directors shall have the authority to interpret these Bylaws and to resolve any question or issue which may arise under these Bylaws. Whenever possible, each provision of these Bylaws shall be interpreted in such a manner as to be valid and enforceable under applicable law and the provision of the Articles of Incorporation, but if any provision of these Bylaws shall be held to be prohibited by or unenforceable under or to be in irreconcilable conflict with applicable law or the Articles of Incorporation, (i) such provision shall be applied to accomplish the objectives of the provision as originally written to the fullest extent permitted by law, and (ii) all other provisions of these Bylaws shall remain in full force and effect.

## **ARTICLE ~~VH~~VIII** **AMENDMENT OF BYLAWS**

**Section 1      By the Shareholders.** The holders of the ~~corporation~~Corporation's capital stock shall not have the power to amend or replace the Bylaws in whole or in part unless such amendment or replacement shall be approved by the holders of at least seventy-five percent (75%) of the issued and outstanding shares of Capital Stock of the ~~corporation~~Corporation.

**Section 2      By the Board of Directors.** These Bylaws may be amended or repealed, in whole or in part, by the vote of ~~an Independent Board Majority~~a majority of the Directors present at a meeting at which a quorum is then present except that any amendment to the sections regarding special meetings of shareholders, quorum and voting requirements for shareholders, shareholder action without meetings, shareholder proposals, size of the Board, division of the Board of Directors into classes, election of directors by shareholders, committees of the Board of Directors, indemnification of directors or amendment of the Bylaws shall require the approval of an Independent Board Majority.

### CERTIFICATE OF ADOPTION

The undersigned Secretary of [New PREMERA Corp.] does hereby certify that the above and foregoing Bylaws of said ~~corporation~~Corporation were adopted by the directors as the Bylaws of said ~~corporation~~Corporation.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
\_\_\_\_\_, Secretary